

Order 1000 Interregional Transmission Planning June 10, 2013 Stakeholder Meeting

Review of Proposed OATT Attachment
K Language

Agenda

- Background on BPA's Order 1000 past activities
- Recap of Western Interconnection Order 1000 interregional common approach
- Review of proposal for implementing common approach within ColumbiaGrid

Background: Order 1000 Regional

- BPA participated as a ColumbiaGrid planning agreement, “PEFA,” party to modify the ColumbiaGrid planning process to comply with FERC Order 1000’s regional requirements.
- The PEFA parties determined the ColumbiaGrid process already largely complies with the Order 1000 regional requirements. Process additions include:
 - Explicit consideration of transmission needs driven by public policy requirements
 - Order 1000 regional cost allocation process
 - Selection of regional Order 1000 projects
 - Regional developer qualifications
 - Order 1000 regional cost allocation methodology
- ColumbiaGrid and BPA hosted multiple stakeholder meetings.
- BPA submitted its regional filing on October 11, 2012. The filing is pending FERC review.
 - If FERC directs BPA to revise the regional methodology, BPA will again engage stakeholders.

Background: Order 1000 Interregional

- BPA participated in a Western Interconnection-wide effort to develop a coordinated approach for ColumbiaGrid, CAISO, NTTG and WestConnect to comply with Order 1000's interregional requirements.
- This effort resulted in common tariff language.
 - The four regions, and BPA individually, hosted multiple stakeholder meetings. BPA posted the common language for comment in March.
- The CAISO, and NTTG and WestConnect FERC-jurisdictional transmission providers, filed the common tariff language on May 10, 2013.
- ColumbiaGrid participants needed more time to modify the PEFA, and the associated tariff language, to include processes for implementing the Western Interconnection approach within ColumbiaGrid.
- A draft of the modified PEFA is sufficiently complete that BPA has been able to draft tariff language.
 - BPA is now seeking stakeholder review of that draft tariff language.

Western Interconnection Order 1000 Interregional Approach

- These processes are reflected in the common tariff language, Section 13 of Part IV of BPA's Attachment K.
- **Interregional coordination:**
 - Regions share planning data annually;
 - Regions hold annual public meeting to discuss shared data, potential interregional solutions for regional transmission needs and status updates of proposed interregional transmission projects;
 - Sponsors/proponents of proposed interregional projects may request interregional joint evaluation and cost allocation. Submittal deadline is March 31 of every even numbered year.
 - Project evaluation occurs individually by each region using existing regional planning processes. Regions coordinate regarding project planning assumptions and study methodologies.
- **Interregional cost allocation:**
 - Each region uses own Order 1000 regional benefits metrics to quantify the benefits of a proposed interregional projects. Region receives *pro rata* share of project costs based on sum of all regions' benefits.
 - Based on *pro rata* share, each region determines if project is most cost effective or efficient solution for a regional need(s). If so, allocates costs to region's beneficiaries.

Implementing Western Interconnection Approach within ColumbiaGrid

- The ColumbiaGrid Order 1000 regional processes serve as the framework for implementing the Western Interconnection Order 1000 interregional approach.
- The existing processes need to be supplemented to account for:
 - 1) Submitting interregional projects to ColumbiaGrid for Order 1000 joint evaluation or cost allocation;
 - 2) Evaluating Order 1000 interregional projects within ColumbiaGrid;
 - 3) Allocating costs of Order 1000 interregional projects within ColumbiaGrid.

ColumbiaGrid Order 1000 Interregional: Project Submittal

- An interregional project sponsor seeking joint evaluation, or joint evaluation plus Order 1000 cost allocation, must submit a written request(s) to ColumbiaGrid.
 - For joint evaluation, the sponsor must submit the project to all Relevant Regions.
 - For Order 1000 cost allocation, the sponsor must request cost allocation from all Relevant Regions.
 - Projects must be submitted by March 31st of an even numbered year to enable joint evaluation and cost allocation to occur during that planning cycle.
- A non-PEFA party interregional project sponsor must enter into an agreement with ColumbiaGrid and pay a fee.
 - PEFA party interregional project sponsor does not need to enter into a new agreement or pay additional fee (already signed PEFA and pays PEFA fees)
- Relevant tariff Sections: 13.4.1, 13.5.1, 14.1, 14.2, 14.4 and 11.1.1 of Part IV

ColumbiaGrid Order 1000 Interregional: Project Evaluation

- Order 1000 interregional projects are evaluated through the ColumbiaGrid study team process.
 - This is consistent with how regional projects are developed and evaluated within ColumbiaGrid.
 - The interregional project sponsor is responsible for performing and leading technical studies related to their project.
- Study teams and ColumbiaGrid evaluate and compare all proposed transmission solutions, including Order 1000 interregional projects, using the same criteria (economics, feasibility, etc.)
- Order 1000 interregional and regional project sponsors are subject to same sponsor qualification criteria (financial and technical capability to build and own and operate project, etc.)
- Relevant tariff Sections: 14.3, 5, 3.3 and 11.1.2.1 of Part IV

ColumbiaGrid Order 1000 Interregional: Cost Allocation

- A complete ColumbiaGrid Order 1000 interregional cost allocation consists of 3 steps:
 - 1) Determination of ColumbiaGrid's share of total project costs
 - This step is the Western Interconnection common interregional cost allocation process, described on Slide 5. ColumbiaGrid's share will be recalculated if a relevant region(s) decides not to select the project.
 - 2) Selection of the project
 - The study team and ColumbiaGrid use ColumbiaGrid's share of total projects costs to determine if the project is the most cost effective and efficient solution to a regional need(s).
 - 3) Allocation of costs of selected project to individual beneficiaries and sponsors within ColumbiaGrid
 - Costs are allocated consistent with benefits determinations made in Step 1.
 - The metrics used (non-sponsor benefits: avoided costs + increase in usable, marketable transmission capacity; sponsor benefits: ColumbiaGrid's share of project costs) are similar to those used for regional projects, modified slightly.
- Relevant tariff Sections: 13.5.3, 13.6, 14.4, 14.5, 14.6, 10 of Part IV

Questions/Comments?

- Written comments are due by COB on Wednesday June 13, 2013, send to techforum@bpa.gov
- Thank you for participating